

Danzer remains committed to sustainable and responsible forest management

Danzer strikes a constructive path following the decision of the Forest Stewardship Council

Baar (Switzerland), 21.05.2013 – The Board of Directors of the Forest Stewardship Council (FSC) has decided to end the cooperation with Danzer due to a potential reputation risk. Although Danzer assesses the underlying incident in May 2011 in the Democratic Republic of Congo differently, Danzer supports the measures of the FSC to avert damage to the brand FSC and its reputation. Danzer and the FSC have agreed on a concrete course of action to resume membership whereby the existing conflict resolution procedures of the company are to be reviewed in cooperation with a renowned peace research institute and the requirements of the FSC will be fully considered. The results of the review will be implemented in the company and then will be audited by an independent body and will serve as the basis for re-association. By doing this, Danzer wishes to create a constructive solution against the backdrop of the gridlocked discussions about the incidents in Yalisika. In doing so, Danzer lives up to its own standards as a sustainable and responsible company.

The company reasserts its values as a responsible company: "We acknowledge the assessment of the FSC that current public opinion signifies a reputation risk for the brand FSC. We have worked together with the FSC since 2007 in order to promote sustainable and socially equitable forest management worldwide. We wish to continue this work in cooperation with a strong partner like the FSC. That is why we respect the FSC decision to suspend the cooperation for a transitional period," said Hans-Joachim Danzer, CEO of Danzer. "With this move we wish to dissolve the gridlocked discussion. That is why we have decided to work together with specialists, who have great expertise in the field of conflict analysis and conflict-sensitive management in complex environments."

A joint roadmap has been agreed upon with the FSC, to facilitate a quick resumption of the membership. The results of the audit performed by the peace research institute are to be available already this year. Danzer has reconfirmed that all obligations of the "Cahiers des Charges" will be fulfilled entirely (social investments and services for the villages and residents), including the work agreed upon with the residents of Yalisika.

Danzer is setting a good example

Danzer systematically continues its policy of sustainability and social responsibility with the course of action that was concluded today. "We are aware of our special responsibility linked to an industrial commitment in Africa. Only if responsible companies create long-term employment in the world's poorest countries can the conditions for sustainable economic development and a civil society be created," says Hans-Joachim Danzer.

For generations, sustainability and social responsibility have been an integral part of Danzer's corporate philosophy. The company's principles for responsible business operations regarding

the worldwide procurement of wood and wood products are defined in its Sustainability Agenda, including the Responsible Procurement Policy. The procurement, the processing and the sale of legal wood from sustainably managed forests have been core elements of Danzer's corporate activity for a long time. This is a standing commitment to Danzer's customers. Danzer is certified to the ISO 14001 standard. This worldwide approach has been instrumental in systematically realising corporate goals. For many years, this has been audited by a third party.

The reasons behind the FSC Complaints Panel against the Danzer Group

The decision was preceded by a complaint procedure (Complaints Panel) at the FSC against Danzer based on the occurrences in Yalisika in the Democratic Republic of the Congo on 1 and 2 May 2011. The subsidiary at that time, SIFORCO (Société Industrielle et Forestière du Congo), was accused of bearing partial responsibility for the use of force by the police and the militia against residents of Yalisika. The accusations have already been commented on in detail and set straight by Danzer. Société Générale de Surveillance (SGS) was commissioned on location shortly after the incidents in Yalisika. In this assessment against the FSC Controlled Wood Standard and the SGS Timber Legality and Traceability Verification Standard, SGS did not detect any non-compliances relating to the occurrences in Yalisika.

Still, the accusations made in public against Danzer could not be completely dispelled. That is why the company has decided to work together with a renowned peace research institute in order to find a constructive solution for all parties.

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